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Medium-term strategic plan: financial plan and related recommendation for the period 2004-2007

Summary

By its decision 2000/3 (E/ICEF/2000/8 (Part I)), the Executive Board changed the medium-term strategic plan (MTSP) from a four-year rolling plan, updated every two years, to a four-year fixed period, commencing with the plan for the period 2002-2005 (E/ICEF/2001/13 and Corr.1). The financial medium-term plan is contained in each MTSP, but is updated each year. Thus, the present document contains financial information for the period 2004-2007.

The plan is intended to enable the Executive Board to review the previous year's financial plan as well as the updated income projections. As such, the plan provides the Board with a basis for determining the level of programme submissions that should be prepared for its 2005 sessions.

The Executive Director *recommends* that the Executive Board approve the medium-term financial plan as a framework of projections for 2004-2007, including the preparation of up to $492 million in programme expenditures from regular resources to be submitted to the Executive Board in 2005. This amount is subject to the availability of resources and to the condition that estimates of income and expenditure made in the present plan continue to be valid.

* E/ICEF/2004/12.

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I. Funding targets for 2004-2007

1. In its decision 1998/22 (E/ICEF/1998/6/Rev.1), the Executive Board requested the Executive Director "to report on the funding targets necessary to achieve the goals of the medium-term plan (MTP) in the context of the resource mobilization strategy adopted by the Board in January 1999".

2. By its decision 1999/8 (E/ICEF/1999/7/Rev.1), the Executive Board endorsed the funding target of annual growth in income of 7 per cent, to reach $1.5 billion by 2005, as a challenge for the mobilization of regular and other resources from Governments, the private sector and all other donors. Cumulatively, the planned growth rate of 7 per cent has been surpassed and as a result, the overall resource mobilization target set for 2005 was exceeded in 2003. Significant growth in 2003 resulted from increased contributions to other resources (emergency) and from the positive impact of the revaluation of major donor currencies compared to the United States dollar, the organization's reporting currency.

3. While contributions to regular resources and other resources (regular) registered modest increases of 3 and 2 per cent respectively in 2003, the growth rate of 84 per cent (an increase of $202 million) in emergency contributions is unprecedented. For the plan period, both the performance in 2003 and historical growth trends have been taken into account to forecast other resources contributions. This, along with a modest growth projection of 4 per cent per year for 2004 and 2005 for regular resources contributions, leads to a resource mobilization target of $1.7 billion for 2005, an increase of over $208 million above the original target of $1.5 billion. However, the balance between regular and other resources will continue to favour other resources, with regular resources expected to constitute only about 46 per cent of income by 2005.

II. Medium-term financial plan for 2004-2007

A. The financial plan process

4. In accordance with the specific financial requirements of UNICEF, the financial plan is a framework of projections used to:

(a) estimate future regular and other resources income, based on the most current information;

(b) plan affordable levels of regular resources programme expenditures;

(c) determine the budgetary estimates necessary to support programme expenditures;

(d) maintain the liquidity requirement.

5. The financial plan projects income based on pledges and indications received during the pledging event, recent trends in contributions, the fund-raising objectives of the Programme Funding Office and the work plan of the Private Sector Division (PSD). Projected expenditures are based on information on the outstanding amounts of approved programmes plus estimated expenditures on future programmes. Programme and budget plans, implementation experience and available resources provide the basis for the yearly phasing of expenditures.

6. The Executive Board approves budgets for country programmes of cooperation and the support budget for financing from regular resources. UNICEF has a biennial support budget cycle, which is reviewed by the Executive Board every two years. UNICEF prepares estimates for country programmes of cooperation to cover a longer period according to the national planning cycles of the programme countries and in harmony with the members of the United Nations Development Group.

7. Total programme expenditures out of regular resources, projected in the present plan, are based on forecasts of future regular resources income. Also, future country programme expenditures from regular resources are based on planning levels established on the basis of the modified system for allocation of regular resources for programmes approved by the Executive Board in 1997 (E/ICEF/1997/12/Rev.1, decision 1997/18). A report on the utilization of regular and other resources will be reviewed by the Board at its second regular session of 2004 (E/ICEF/2004/16).

8. Except in specific circumstances approved by the Executive Board, spending from other resources begins upon receipt of pledges for other resources programmes previously approved by the Executive Board or, in the case of emergencies, as part of the Consolidated Appeals Process.

9. Actual amounts of income and expenditures can differ from projections due to the facts that:

(a) income depends on voluntary contributions;

(b) the rate of expenditures depends upon on a number of factors, many of which are beyond the control of UNICEF;

(c) fluctuations of rates of exchange add significant uncertainty to income and expenditure projections.

10. UNICEF does not have credit facilities to cover potential differences from planned income and expenditures. If regular resources income is lower than estimated, the main regulators of expenditures are:

(a) adjustment of the amounts of new programmes submitted to the Executive Board for approval;

(b) reduction of the existing support budget;

(c) adjustment of spending on already approved programmes.

11. Since the effect of these regulators operates with a time lag, UNICEF must maintain a certain amount of cash as a liquidity provision. In addition to providing a cushion for planning contingencies, the liquidity provision covers the cash flow imbalance that normally occurs in the first part of the year when disbursements typically exceed receipts, especially for regular resources. To meet this requirement, the UNICEF liquidity policy recommends a minimum year-end regular resources convertible cash balance equal to 10 per cent of projected regular resources income for the following year. This financial plan sets planned regular resources expenditure at a level that guarantees compliance with this target. In its decision 2003/8 (E/ICEF/2003/9/Rev.1), the Executive Board decided that UNICEF should continue to manage its liquidity in accordance with the current policy. It should be noted that firm and indicative pledges and early payments by Governments, in

accordance with decision 1999/8, enhance the predictability of the availability of resources.

12. In order to minimize the negative impact of uncertainties about income on programme implementation, UNICEF continuously reviews progress against the plan, identifies deviations and prompts corrective action as necessary. In this framework, UNICEF revises the financial plan each year on a "rolling basis" to reflect the most current income estimates. UNICEF uses the revised estimates to update the annual expenditure phasing and to determine the level of estimated programme cooperation to be prepared for the following years.

13. The end purpose of this plan is to enable the Executive Board to review the financial performance of UNICEF in 2003 and the updated income projections. In this framework, the plan also provides the Executive Board with a basis for deciding the total level of affordable programmes to be submitted in 2005.

B. Performance in 2003 compared with the previous medium-term financial plan

14. Figure I provides a comparison between the actual results for 2003, the projections of the financial plan and the 2002 results.

Income

15. Total contributions to UNICEF in 2003 amounted to $1,688 million, an increase of $234 million (16 per cent) over contributions of $1,454 million in 2002. This amount was higher by $288 million (21 per cent) over the previous financial plan target of $1,400 million for 2003. After adjustments, $1,680 million was recognized as income in 2003 compared with $1,447 million in 2002.

16. The increased income in 2003 is largely the result of a $202 million increase in contributions to other resources (emergency) and a $36 million increase in government contributions to regular resources. Although income from the private sector increased by only $9 million compared with 2002, the real growth is significantly higher because the results for the private sector in 2002 included a one-time legacy of $56 million. A significant share of private sector income is derived from fund-raising activities and mobilized through the efforts of National Committees for UNICEF and their network of volunteers.

17. Overall, in 2003 regular resources income amounted to $732 million, an increase of $23 million (3 per cent) over 2002. In line with the harmonized budget presentations of the United Nations Development Programme, the United Nations Population Fund and UNICEF, certain biennial support budget costs (including income tax reimbursement and government contributions towards local costs) amounting to $8.4 million in 2003 have been subtracted from total income. For 2002, the amount subtracted was $7.5 million.

18. Total other resources contributions (both regular and emergency) for 2003 were $956 million, an increase of $210 million (28 per cent) as compared to 2002 and $196 million (26 per cent) in relation to the financial plan projections for 2003. Other resources contributions (regular) amounted to $513 million in 2003, an increase of $8 million (2 per cent) as compared to 2002 and in line with the financial plan estimate of $515 million. Other resources contributions for emergencies

amounted to $443 million, an increase of $202 million (84 per cent) over 2002 and $198 million (81 per cent) higher than the financial plan projections for 2003.

19. In 2003, as in previous years, UNICEF derived its contributions principally from two sources: Governments and intergovernmental organizations, which contributed $1,136 million (67 per cent) of total contributions; and non-governmental or private sector sources; which provided $515 million (31 per cent), 27 per cent of which was contributed by National Committees. The other income category (including interest income and other miscellaneous sources) amounted to $37 million or 2 per cent of 2003 contributions, a decrease of $22 million compared to 2002. The share of contributions from government sources increased by 3 per cent in 2003 compared to the previous year. As anticipated in the plan, interest income decreased largely because of lower global interest rates. Excluding the impact of the one-time legacy contribution in 2002, regular resources represented 43 per cent of total resources for 2003, down from 47 per cent the previous year.

Expenditures

20. In 2003, total expenditures amounted to $1,469 million (excluding write-offs), an increase of $202 million (16 per cent) over expenditures of $1,267 million in 2002. Management and administration expenditures were $87 million (6 per cent of total expenditure) and programme support amounted to $155 million (11 per cent of total expenditure). Regular resources expenditures increased from $572 million in 2002 to $634 million in 2003 (11 per cent), which compares well with the financial plan forecast of $638 million. Other resources expenditures (excluding write-offs) increased to $835 million in 2003, an increase of $105 million (14 per cent) compared to the $730 million projected in the financial plan, and of $140 million (20 per cent)) as compared to the expenditures registered in 2002. The growth in other resources emergency expenditures accounts for almost $100 million of this increase.

21. Direct programme assistance amounted to $1,227 million (an 18-per-cent increase over 2002), or 83 per cent of overall expenditure. Total support budget expenditure (management and administration and programme support) for 2003 was $242 million, $17 million (8 per cent) higher than 2002 but $6 million (3 per cent) less compared to the financial plan forecast.

Cash balances

22. The 2003 year-end cash balance (excluding $289 million in trust funds for procurement services and other activities) was $672 million. This was $43 million more than the 2002 balance. In general, the increase in cash balances in 2003 resulted from the significant increase in income.

23. The regular resources cash balance at the end of 2003 was $209 million. This consisted of $202 million in convertible currencies and $7 million in non-convertible currencies. The convertible regular resources cash balance is $33 million higher than the level in 2002 due to the differential between income and programme expenditures for the year mitigated to a large extent by the increase in accounts receivable. These cash balances are expected to peak in 2004. Following this accumulation, it is planned that this level of cash will be lowered gradually to provide for commensurate growth of expenditures over the coming years, while maintaining prudent liquidity.

24. A new funded reserve for after-service health insurance was approved by the Executive Board in 2003 (decision 2003/11, (E/ICEF/2003/9/Rev.1)). The reserve was established following a recommendation made by the United Nations Board of Auditors that a funded reserve cover contingent liabilities arising from after-service health insurance for staff, in conformity with good practices in this area, including within the United Nations system. A reserve of $30 million was established in 2003 and $10 million for each successive year is included in the current plan. Regular resources cash available after the coverage of the funded reserve for 2003 is $165 million. UNICEF will monitor this reserve and continue to consult with other United Nations agencies to ensure adequate planning in this area.

25. For the plan period, the cash available after the coverage of funded reserves is expected to be highest in 2004, at $187 million. This will decrease to $173 million, $153 million and $116 million respectively for 2005, 2006 and 2007. These levels provide for sustained coverage of the liquidity guideline during the financial plan period.

26. The 2003 other resources cash balance amounted to $463 million, $12 million (3 per cent) more than the balance at the end of 2002.

27. In addition to income and expenditures, movements in non-cash assets and liabilities on the balance sheet also affect year-end cash balances. Increases in assets reduce cash balances, while increases in liabilities increase cash balances.

28. For regular resources cash balances, changes in non-cash assets and liabilities reduced the cash availability by $55 million during the year. For other resources, the net effect on cash balances of all changes in non-cash assets and liabilities was a reduction of $103 million in cash.

29. Accounts receivable, amounting to $345 million, is the largest non-cash asset on the UNICEF balance sheet. In 2003, this balance sheet item increased by 7 per cent over 2002, primarily due to the increase in PSD receivables. The PSD accounts receivable for 2002 were low compared the level of contributions because the one-time legacy of $56 million was received in cash. Contributions receivable (the second largest non-cash item), increased by 74 per cent to $269 million, due mainly to the timing of increased contributions from Governments.

30. UNICEF inventories consist of the Supply Division warehouse at Copenhagen and PSD stock. The Supply Division uses inventory to meet the requirements for standard supply and equipment items for UNICEF programmes (both regular and emergency) as well as for procurement services. At the end of 2003, inventories reached $29 million, representing an increase of $2 million from 2002.

31. Contributions for following years received in advance appear as a liability on the UNICEF balance sheet. At the end of 2003, other resources contributions received in advance amounted to $2.8 million.

C. Financial plan for 2004-2007

32. A comparison of this year's financial medium-term plan to last year's plan is shown in table 1.

33. Total planned programme expenditures for 2004 through 2007 are projected with an upward trend. This is done to reflect an increase in regular resources

income, availability of other resources and improved absorption capacities of programme countries as evidenced by programme expenditure trends in 2002 and 2003 and the expenditure levels registered in the first six months of 2004.

Income projections for 2004-2007

34. Table 3 shows, inter alia, income projections from various sources for the period 2004-2007. These projections are set for planning purposes and do not imply a commitment by individual donors since all contributions to UNICEF are voluntary. They are in United States dollars using the June 2004 United Nations rate of exchange.

35. The financial plan forecasts total income of $1,685 million for 2004, a decrease of $3 million compared to the actual results for 2003. This figure takes into account the anticipated reduction in other resources (emergency) contributions, which will be compensated to a large extent by the projected growth in regular resources. After 2004, the plan forecasts an average increase of 2 per cent per year for the remaining three years of the plan period. By the end of the current MTSP period (2005), it is expected that the original aggregate funding target of $1.5 billion will be exceeded by $208 million, as evidenced by the target of $1,708 million established in the current financial plan for 2005. Regular resources are expected to constitute about 46 per cent of the aggregate contributions.

Regular resources income

36. Table 2 shows the various sources of regular resources income. The breakdown is as follows:

(a) **Government contributions.** A total of 55 Governments pledged and 5 made indicative pledges to UNICEF at the United Nations Pledging Conference and the UNICEF pledging event held during the first regular session of the Executive Board in January 2004. Of the 55 countries that pledged, 15 increased, 27 maintained and 6 decreased their pledges, with 5 resuming their pledges and 2 pledging for the first time. Twenty-three were high-income, 19 were middle-income and 13 were low-income countries. Four countries indicated payment schedules and 15 countries indicated multi-year pledges. The pledges and/or indications for 2004 regular resources amounted to $257 million, $135 million less than the total of $392 million pledged for 2003. However, three of the top 10 donors in 2003 were not able to pledge in 2004. Had they been in a position to announce contributions at a similar level to those made in 2003, there would have been an increase of approximately $30 million for 2004. Based on the June 2004 exchange rates, UNICEF projects regular resources contributions from Governments to be $425 million for 2004;

(b) **Private sector contributions.** The projections reflect a revised estimate of the PSD work plan (E/ICEF/2004/AB/L.1), which was approved by the Executive Board at its first regular session of 2004, and the forecast of contributions from non-governmental organizations (NGOs). Net income from the private sector includes proceeds from the sale of greeting cards and other products, private sector fund-raising and the contributions from NGOs. The financial plan forecasts private sector income of $305 million in 2004, an increase of 3 per cent, and average annual increases of 4 per cent for the period 2005-2007;

(c) **Other income.** Other income consists mainly of interest income, gains/losses as a result of exchange rate movements and other miscellaneous items. Other income is forecast to be $35 million per year for 2004-2007, levels which account for the fact that interest income is unlikely to recover entirely to previous years' levels.

Other resources income

37. UNICEF receives contributions for other resources for programmes and for emergency relief. Table 2 shows the forecast of these contributions separately. The revised financial plan for the period 2004-2007 forecasts total other resources contributions of $920 million for each year in the plan period.

Liquidity

38. The UNICEF liquidity policy recommends a minimum year-end regular resources convertible cash balance equal to 10 per cent of projected regular resources income for the following year. The proposed financial plan sets planned regular resources expenditures at a level that ensures continuous strict compliance with this requirement, as shown in table 5.

39. Programmes funded from other resources are normally fully funded before implementation begins. Therefore, the cash balance for other resources is higher than for regular resources. The year-end cash balance can vary widely depending on the timing of the receipt of funds and the implementation of programmes. For example, if large cash contributions are received late in the year, the year-end cash balance will be high because most of the spending on the related programmes will occur in the following year. In this financial plan, it is projected that the other resources cash balance will increase by an average of 10 per cent annually during 2004-2007.

Projected programme expenditures

40. At the beginning of 2004, there was an unspent balance of approved regular resources programme commitments of $1,409 million planned for implementation from 2004 onwards (see table 3 and the accompanying footnote).

41. Regular resources programmes proposed to the Executive Board in 2004 amount to $146 million. The plan provides for the preparation of $492 million of regular resources programme proposals for approval by the Executive Board in 2005. The levels of planned programme expenditure will be continuously adjusted based on updated information about projected income.

42. The 2004-2007 level of planned spending is in line with the goal of maximizing programme expenditures while maintaining regular resources liquidity. The estimated yearly phasing of expenditures on approved, new and future programme recommendations is shown in table 3.

43. The plan proposes regular resources programme expenditures of $450 million in 2004, $50 million more than originally planned, so as to be in line with the higher implementation rates registered in the first half of 2004. Planned programme expenditures for 2005, 2006 and 2007 are $505 million, $530 million and $560 million, respectively. These levels take into account the objective of optimizing use of resources within the bounds of income and sound liquidity.

44. The unspent balance of programme cooperation from other resources was $816 million at the end of 2003 ($564 million/regular and $252 million/emergency). The financial plan forecasts that other resources programme expenditures will be in line with the expected income and the available resource levels for 2004 through 2007.

45. Based on income projections in the plan, total expenditures (net of reimbursement costs) for 2004 and 2005 are forecast to be $1,649 million and $1,682 million, respectively. The financial plan forecasts total programme expenditures to increase to $1,710 million in 2006 and $1,750 million in 2007. However, actual spending will be adjusted in line with the level of achievement of income projections set in the present plan.

46. The current financial plan forecasts that following the 8-per-cent increase in the support budget in 2003 (largely due to increases in international staff salaries, in line with salary increases in the United Nations system, and other additional costs), the next two years will see increases resulting from additional security costs. The support costs for 2004 are forecast to be higher by 7 per cent, reflecting increased regular programme assistance and additional unanticipated emergency security costs (estimated to be $7 million per year for 2004 and 2005). They also take into account higher other resources expenditure levels and increased recovery offset following the adoption of the new UNICEF recovery policy. The additional recovery income will allow for a reduction of net support budget expenditures, releasing more regular resources from the support budget to programme assistance.

Assets and liabilities

47. As explained in paragraph 27 above, movements in non-cash assets and liabilities affect year-end cash balances. Line 4 in tables 4, 5 and 6 below shows the anticipated effect of these movements.

48. At its 1990 regular session, the Executive Board approved a capital asset fund to be used for field office accommodation and staff housing (E/ICEF/1990/13, decision 1990/26). At the end of 2003, $13.9 million remained to be spent from the fund. Estimated spending from this fund is $4 million during the period 2004-2007.

49. All the above items — contributions/income, expenditure and liquidity — are summarized in table 4, with a breakdown of regular resources in table 5 and other resources in table 6. Figures II through V show actual and forecast financial information by source of funds.

Trust funds

50. Trust funds are earmarked resources entrusted to UNICEF from various sources, including Governments, other United Nations organizations and NGOs, mainly to cover the cost of procurement of supplies and services undertaken by UNICEF on behalf of other development partners. They also include financing provided by sponsors to cover the costs of Junior Professional Officers.

51. As per Regulation 5.3 of the UNICEF Financial Regulations and Rules, trust funds are not considered UNICEF income and are recorded separately and distinguished from funds that are part of income and are spent for programmes approved by the Board.

52. In the past, trust funds for non-procurement services activities have been fairly limited, accounting for just a few million dollars. This situation changed dramatically with the emergence of the Oil-For-Food Programme (OFFP) in Iraq in 1996. Since 1997, when UNICEF began its financial participation in this programme, the total amount of funds disbursed under OFFP have amounted to $494 million. Following the Security Council's decision to end OFFP in 2003, the corresponding reduction in trust fund activities has been reflected in the 2004-2007 plan (table 7). Procurement services activities continue to be an important segment of the trust fund accounts. The amount disbursed from trust fund accounts in 2003, other than procurement services, was $285 million, up from $201 million in 2002.

53. Table 7 reports on trust fund activity in 2003 and projects receipts and disbursements for the plan period. Overall, in 2003, UNICEF received $635 million for these trust accounts and disbursements and obligations amounted to $489 million.

III. Recommendation

54. The Executive Director *recommends* that the Executive Board approve the following draft recommendation:

The Executive Board

1. *Takes note* of the medium-term financial plan (E/ICEF/2004/AB/L.4) as a flexible framework for supporting UNICEF programmes;

2. *Approves* the medium-term financial plan as a framework of projections for 2004-2007 (summarized in table 4 of document E/ICEF/2004/AB/L.4), including the preparation of up to $492 million in programme expenditures from regular resources to be submitted to the Executive Board in 2005. This amount is subject to the availability of resources and to the condition that estimates of income and expenditure made in this plan continue to be valid.

Table 1. UNICEF financial plan: changes from prior plan
(In millions of United States dollars)

	2003*	2004	2005	2006	2007
Regular resources income					
2003 medium-term financial plan	640	663	684	707	720
2004 medium-term financial plan	[illegible]	765	788	811	839
Change	92	102	104	104	119
Percentage change	14	15	15	15	17
Regular resources programme expenditures					
2003 medium-term financial plan	390	400	410	425	435
2004 medium-term financial plan	[illegible]	450	505	530	560
Change	2	50	95	105	125
Percentage change	1	13	23	25	29
Programme support and management and administration					
2003 medium-term financial plan	248	258	268	279	285
2004 medium-term financial plan	[illegible]	259	267	270	280
Change	- 6	1	- 1	- 9	- 5
Percentage change	- 3	0	- 0	- 3	- 2
Other resources income					
2003 medium-term financial plan	760	790	820	848	877
2004 medium-term financial plan	[illegible]	920	920	920	920
Change	196	130	100	72	43
Percentage change	26	16	12	8	5
Other resources programme expenditures					
2003 medium-term financial plan	730	755	787	818	835
2004 medium-term financial plan	[illegible]	940	910	910	910
Change	111	185	123	92	75
Percentage change	15	25	16	11	9
Total income					
2003 medium-term financial plan	1 400	1 453	1 504	1 555	1 597
2004 medium-term financial plan	[illegible]	1 685	1 708	1 731	1 759
Change	288	232	204	176	162
Percentage change	21	16	14	11	10
Total expenditures (includes SB reimbursement)**					
2003 medium-term financial plan	1 376	1 421	1 473	1 530	1 563
2004 medium-term financial plan	[illegible]	1 657	1 690	1 718	1 758
Change	112	236	217	188	195
Percentage change	8	17	15	12	12

* This column represents 2003 actual results against the "2004 medium-term financial plan".
** Total expenditure includes the support budget reimbursement and write-offs for year 2003. These amounts are not included in the regular and other resources expenditures above. For details please refer to tables 5 and 6 and para. 17 in the accompanying text.

Table 2. UNICEF income projections

(In millions of United States dollars)

	Average % last 5 years	Actual				Plan			
		2000	2001	2002	2003	2004	2005	2006	2007
Regular resources									
Governments*		343	351	368	403	425	438	451	464
Private sector		165	164	282	292	305	315	325	340
Other income		54	36	59	37	35	35	35	35
Total, Regular resources		563	551	709	732	765	788	811	839
Growth (%)	6	- 4	- 2	29	3	5	3	3	3
Other resources									
(a) Regular									
Governments		251	279	343	351	350	350	350	350
Private sector**		131	160	162	162	165	165	165	165
Other income		- 4	0	0	0	0	0	0	0
Subtotal, Programmes		377	439	505	513	515	515	515	515
Growth (%)	13	10	16	15	2	0	0	0	0
(b) Emergencies									
Governments		131	160	203	382	345	345	345	345
Private sector**		70	76	37	61	60	60	60	60
Other income		- 2	0	0	0	0	0	0	0
Subtotal, Emergencies		199	235	240	443	405	405	405	405
Growth (%)	35	71	18	2	84	- 9	0	0	0
Total, Other resources		576	674	745	956	920	920	920	920
Growth (%)	20	46	17	11	28	- 4	0	0	0
Total Contributions		1 139	1 225	1 454	1 688	1 685	1 708	1 731	1 759
Growth (%)	12	18	8	19	16	0	1	1	2

* Includes Governments and intergovernmental organizations.

** Includes contributions from National Committees for UNICEF, private individuals and corporations.

Table 3. Regular resources: yearly phasing of estimated expenditures

(In millions of United States dollars)

		2004	2005	2006	2007	Beyond 2007	Total recommendations
Field office recommendations							
1	Programme balances available from funds approved in prior years	420	418	309	243	19	1 409[a]
2	Programmes to be submitted to 2004 Executive Board sessions	1	35	34	30	46	146
3	Programmes to be prepared for 2005 Executive Board sessions		22	124	124	222	492
4	Programmes to be prepared for 2006 and future Executive Board sessions			33	133		166
5	Amount set aside	26	27	27	27		
6	Estimated allocation of net income from sale of greeting cards in countries with UNICEF programmes	3	3	3	3		
7	Subtotal, programme expenditure	450	505	530	560		
Support budget recommendations							
8	Estimated net support budget for 2004	259					
9	Estimated net support budget for 2005-2006		267	270			
	Estimated net support budget for 2007				280		
10	Total expenditure	709	772	800	840		

[a] Excluding unspent balance of $24 million subject to cancellation pending final settlement of accounts for old programme cycles and including other allocations made in 2004 which is not reflected in the end-2003 balances.

Table 4. UNICEF financial plan: summary (regular resources and other resources)

(In millions of United States dollars)

		Actual			Plan			
		2001	2002	2003	2004	2005	2006	2007
1	Income*	1 225	1 454	1 688	1 685	1 708	1 731	1 759
	Growth (%)	8	19	16	- 0	1	1	2
2	Expenditures							
	(a) Programme assistance	1 012	1 043	1 227	1 390	1 415	1 440	1 470
	Growth (%)	14	3	18	13	2	2	2
	(b) Programme support and management and administration	226	225	242	259	267	270	280
	Growth (%)	6	- 1	8	7	3	1	4
	(c) Write-offs and miscellaneous	8	6	10	0	0	0	0
	Subtotal Expenditure (excluding reimbursement)	1 246	1 273	1 479	1 649	1 682	1 710	1 750
	(d) Support budget costs/reimbursement	8	7	8	8	8	8	8
	Gross expenditures	1 254	1 280	1 487	1 657	1 690	1 718	1 758
	Growth (%)	13	2	16	11	2	2	2
3	Income less expenditures	- 28	174	201	28	18	13	1
4	Movements non-cash assets/liabilities	48	8	- 157	- 17	- 13	- 14	- 19
5	Year-end cash balance							
	(a) Convertible currencies	439	620	665	675	680	679	661
	(b) Non-convertible currencies	8	9	7	8	8	8	8
	Total cash balance	447	629	672	683	688	687	669

*Gross amounts - "Transfer to biennium support budget" are not included which are shown separately as item (d) under expenditures.

Table 5 UNICEF financial plan: regular resources

(In millions of United States dollars)

		Actual			Plan			
		2001	2002	2003	2004	2005	2006	2007
1	Income*	551	709	732	765	788	811	839
	Growth (%)	- 2	29	3	5	3	3	3
2	Expenditures							
	(a) Programme assistance	380	347	392	450	505	530	560
	Growth (%)	5	- 8	13	15	12	5	6
	(b) Programme support and management and administration	226	225	242	259	267	270	280
	Growth (%)	7	- 1	8	7	3	1	4
	(c) Write-offs and miscellaneous	4	1	4	0	0	0	0
	Subtotal regular resources expenditure (excluding reimbursement)	610	573	638	709	772	800	840
	(d) Support budget costs/reimbursement	8	7	8	8	8	8	8
	Gross regular resources expenditures	618	580	647	717	780	808	848
	Growth (%)	7	- 6	11	11	9	4	5
3	Income less expenditures	- 66	129	85	48	8	3	- 9
4	Movements non-cash assets/liabilities	45	- 34	- 55	- 17	- 13	- 14	- 19
5	Year-end cash balance							
	(a) Convertible currencies	76	169	202	232	227	216	188
	(b) Non-convertible currencies	8	9	7	8	8	8	8
	Total cash balance	84	178	209	240	235	224	196
	Funded reserves							
	After-service health insurance	- 0	- 0	30	40	50	60	70
	Capital assets	14	14	14	13	12	11	10
	(c) Funded reserves total	14	14	44	53	62	71	80
	Total Cash Available (a) + (b) - (c)	70	164	165	187	173	153	116
	Liquidity guideline compared to year-end cash balance:							
	(a) Liquidity guideline	71	73	77	79	81	84	86
	(b) Convertible currency balance net of future year contributions received in advance	76	169	202	232	227	216	188

*Gross amounts - "Transfer to biennium support budget" are not included which are shown separately as item (d) under expenditures.

Table 6 UNICEF financial plan: other resources

(In millions of United States dollars)

	Actual			Plan			
	2001	2002	2003	2004	2005	2006	2007
1 Income	674	745	956	920	920	920	920
Growth (%)	27	11	28	- 4	0	0	0
2 Expenditure							
(a) Programme assistance-regular	404	442	482	490	490	490	490
Growth (%)	20	9	9	2	0	0	0
(b) Programme assistance-emergency	229	253	353	450	420	420	420
Growth (%)	48	11	39	27	- 7	0	0
(c) Write-offs and miscellaneous	3	5	6	0	0	0	0
Total expenditures including write-offs	636	700	841	940	910	910	910
Growth (%)	29	10	20	12	- 3	0	0
3 Income less expenditures	38	45	115	- 20	10	10	10
4 Movements non-cash assets/liabilities	3	43	- 103	0	0	0	0
5 Year-end cash balance							
(a) Convertible currency	363	451	463	443	453	463	473
(b) Non-convertible currencies	0	0	0	0	0	0	0
Total cash balance	363	451	463	443	453	463	473

Table 7. UNICEF financial plan: procurement services and trust funds

(In millions of United States dollars)

	Actual		Plan			
	2002	2003	2004	2005	2006	2007
1. Opening balance trust funds:						
Procurement services	139	137	210	225	230	235
Other activities	-16	-15	58	25	27	27
	123	122	268	250	257	262
2. Funds received:						
Procurement services	143	277	323	365	288	290
Other activities	203	358	171	286	130	130
Total	345	635	494	651	418	420
3. Disbursements:						
Procurement services	145	204	308	360	283	285
Other activities	201	285	204	284	130	130
Total	346	489	512	644	413	415
4. End balance:						
Procurement services	137	210	225	230	235	240
Other activities	-15	58	25	27	27	27
Total	122	268	250	257	262	267

Figure I

Financial Performance for 2003

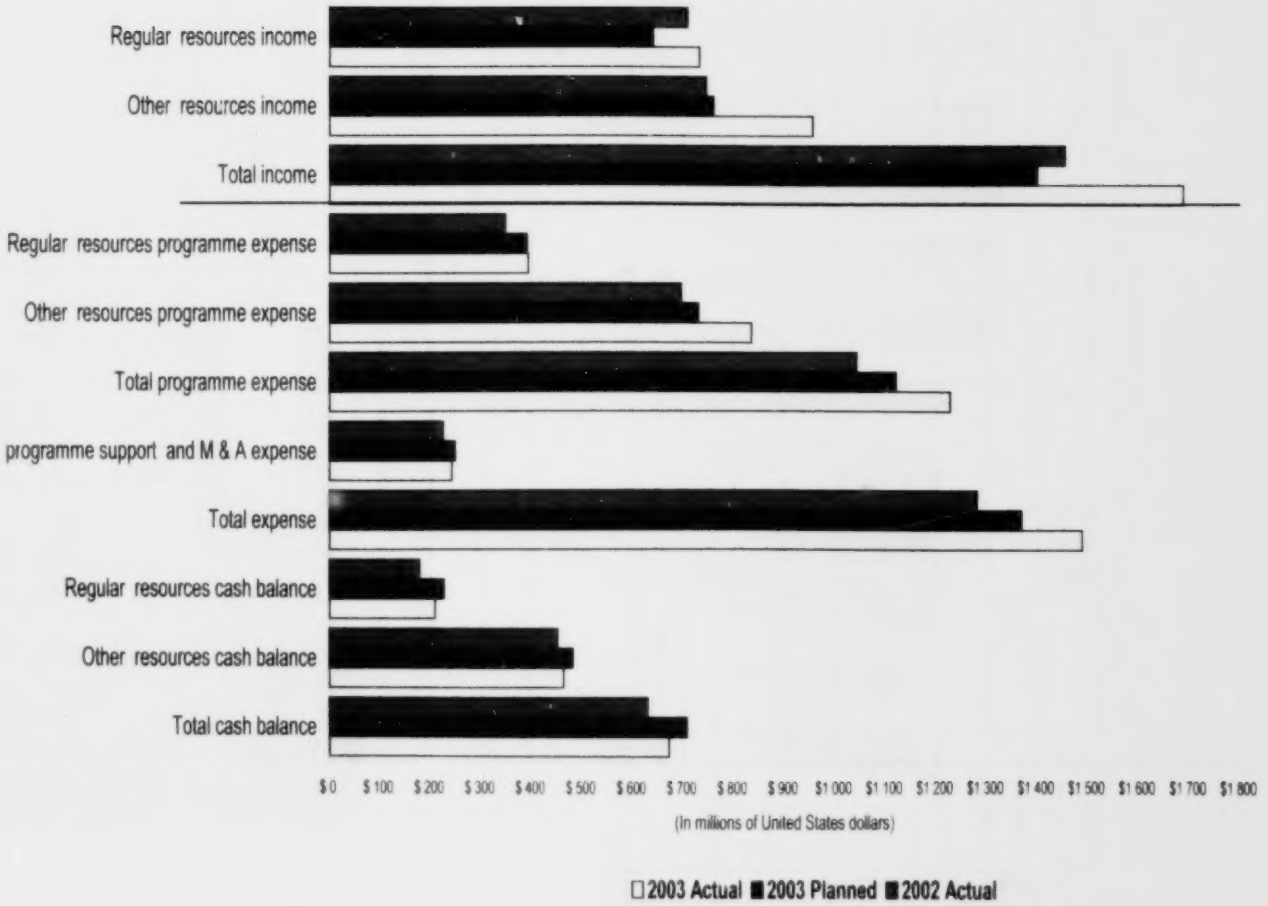
Regular resources income
Other resources income
Total income
Regular resources programme expense
Other resources programme expense
Total programme expense
programme support and M & A expense
Total expense
Regular resources cash balance
Other resources cash balance
Total cash balance
$0 $100 $200 $300 $400 $500 $600 $700 $800 $900 $1 000 $1 100 $1 200 $1 300 $1 400 $1 500 $1 600 $1 700 $1 800
(In millions of United States dollars)
2003 Actual
2003 Planned
2002 Actual

Figure II

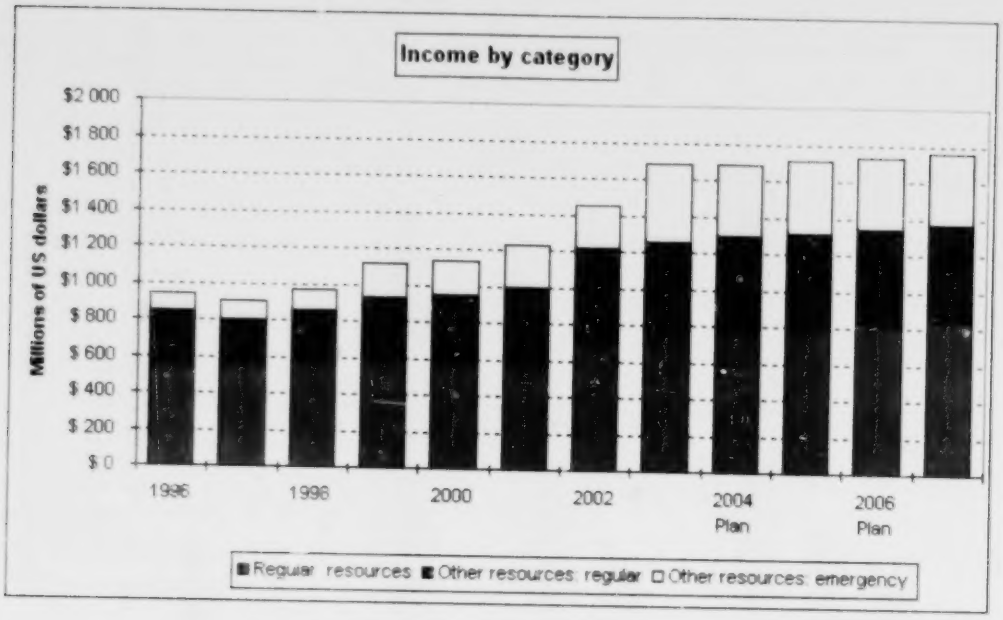

Figure III

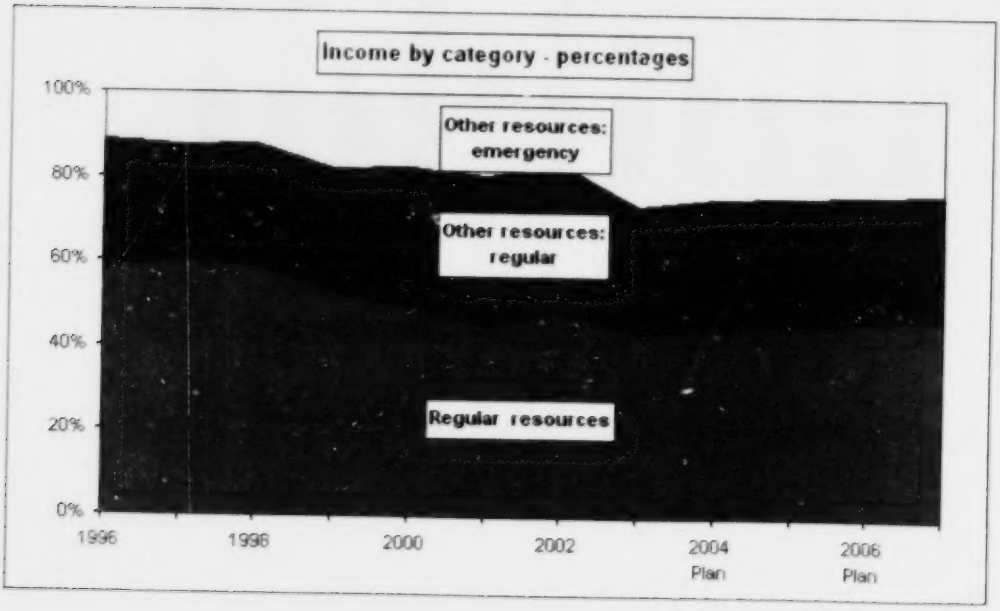

Figure IV

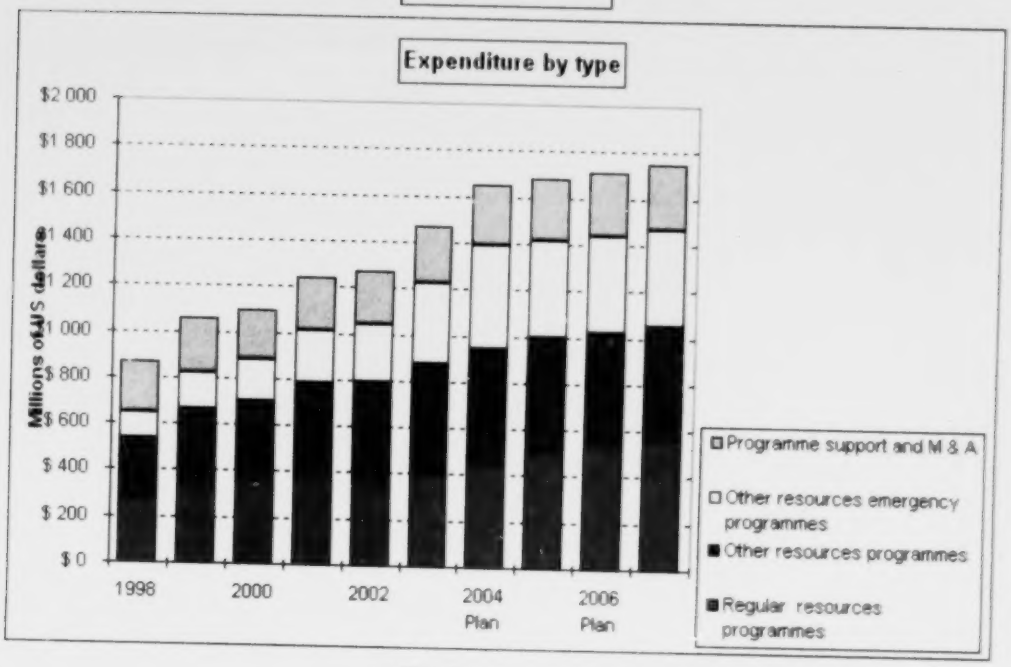

Figure V